



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Authorizing City Manager to Execute Agreement with Central Valley Clean Water Association for Participation in the Methylmercury Special Project

**MEETING DATE:** May 16, 2012

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** Adopt resolution authorizing City Manager to execute agreement with Central Valley Clean Water Association for participation in the methylmercury special project.

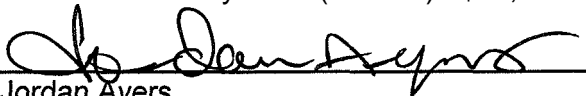
**BACKGROUND INFORMATION:** The Central Valley Clean Water Association (CVCWA) was formed to represent the interests of wastewater agencies in the Central Valley in regulatory matters and to support the exchange of information so member agencies can best meet their business challenges. The intent of CVCWA is to approach inland surface water discharge and land application regulatory matters with a perspective that balances environmental and economic interests and to speak with a unified voice from its members and partnering organizations. When necessary, CVCWA takes legislative and judicial steps to further its purpose. The City of Lodi has participated in the CVCWA since 1987.

Due to recent amendments to the Sacramento River and San Joaquin River Basin Plan, the State is requiring facilities that discharge to the Delta to participate in the Delta Mercury Control Program. This program is expected to involve two phases. Phase 1 is a control study and Phase 2 involves implementation of methylmercury controls identified by the Phase 1 control studies. The Phase 1 program allows for facilities to complete a control study on mercury and methylmercury, either independently or through a collaborative study with other agencies. At this time, CVCWA is involved in the Delta Mercury Control Program through the Methylmercury Special Project, which will collaborate efforts for the required control study between 14 public agencies.

The City's share of the not-to-exceed cost for Phase 1 of the program (Control Study) is \$45,000. Payments will be made in five annual installments that range from \$4,500 to \$13,500, as reflected in Exhibit D to the attached agreement. This cost is less than the projected cost for completing this study independently. Staff therefore recommends participation in the collaborative control study managed through CVCWA.

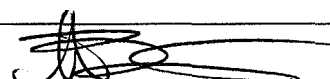
**FISCAL IMPACT:** Non-compliance with this mandated program will result in administrative fines from the State.

**FUNDING AVAILABLE:** Wastewater Utility Fund (170403): \$45,000

  
Jordan Ayers  
Deputy City Manager/Internal Services Director

  
for F. Wally Sandelin  
Public Works Director

Prepared by Kathryn E. Garcia, Compliance Engineer  
FWS/KMG/pmf  
cc: Deputy Public Works Director – Utilities  
Compliance Engineer

**APPROVED:**   
Konradt Bartlam, City Manager

*Statement of Commitment to be part of the CVCWA Methylmercury Special Project*

The City of Lodi is committed to fund and participate in the CVCWA Methylmercury Special Project, per the participation rules for a Major Funding Agency as described in Exhibit D to the Contract for Methylmercury TMDL Collaborative Studies for Wastewater Treatment Plants.

Signed:

Date:

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Konradt Bartlam  
City Manager

ATTEST:

APPROVED AS TO FORM:

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Randi Johl  
City Clerk

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D. Stephen Schwabauer  
City Attorney



**Exhibit D**  
**to the Agreement between**  
**the Central Valley Clean Water Association and Larry Walker Associates**

***Mercury TMDL Collaborative Studies for Wastewater Treatment Plants***

**CVCWA Methylmercury Special Project**

**Special Provisions**

**A. PROJECT MANAGER**

1. The Project Manager shall be a member of the CVCWA Methylmercury Special Project in good standing, elected by majority of the Methylmercury Special Project Steering Committee Members.
2. The Project Manager shall manage and coordinate performance of the approved Scope of Work.
3. The Project Manager shall coordinate with the Funding Agencies regarding the need for funds to be deposited with CVCWA in order to carry out the Scope of Work.
4. The Project Manager shall review and approve the invoices submitted by CONSULTANT. The Project Manager shall authorize CVCWA to release funds in payment of the invoices only if sufficient funds are on deposit in the Special Project Account.
5. Should the Project Manager no longer be able or willing to fulfill the duties of Project Manager, a new Project Manager shall be elected.

**B. FUNDING AGENCIES, COST SHARING, AND REGULATORY BENEFITS**

**1. Funding Agencies**

- a. Major Funding Agencies:

A Major Funding Agency is an agency which shares in the funding of this Special Project in accordance with the cost sharing formula described in Section B.2.b below. Major Funding Agencies shall be members of the Methylmercury Special Project and of the Steering Committee, and shall have a vote as described in Sections C and E below.

b. Minor Funding Agencies:

Other CVCWA member agencies and non-CVCWA members may be interested in contributing to this effort, but not at the level of the Major Funding Agencies. A Minor Funding Agency is a CVCWA member or non-member agency that contributes \$5,000 or more or towards this Special Project.<sup>1</sup> Minor funding agencies will not receive regulatory credit towards this project as described below. Information concerning this special project shared with minor funding agencies will be at the discretion and as authorized by the Steering Committee.

c. Addition of Funding Agencies

Major and Minor Funding Agencies may join at any time. However, new Major Funding Agencies will be required to contribute at the full contribution level (including prior years payments) for their appropriate tier, to the current work in progress unless otherwise approved by the Steering Committee. Contributions for new Major Funding Agencies which have change tiers after the start of the project will be required to contribute based on current permitted flow. With additional Funding Agencies, the cost sharing formula for Major Funding Agencies may be reapportioned to reflect the contribution of the additional funding agencies.

## 2. Cost Sharing

a. Tier Levels and Associated Contribution for Major Funding Agencies

The funding for this project is intended to be shared on a 5-tiered basis, based on permitted flow, among the Major Funding Agencies minus any other contributions from Minor Funding Agencies. The funding for the Scope of Work will be provided by the Major Funding Agencies under the following 5-tiered system. Tiers are based on the Funding Agency's permitted flow<sup>2</sup>:

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<sup>1</sup> Full payment of at least \$5,000 must be received before an agency qualifies for Minor Funding Agency status.

<sup>2</sup> Funding Agencies which change tiers during the scope of the contract will be billed at the tier level indicative of the design flow on July 1<sup>st</sup> of that fiscal year in which the billing is for (See section B of this exhibit below – Payment Schedule).

### Tier Levels and Associated Contribution

Permitted Flow	Tier Level	Contribution towards Scope
0 mgd ≤ flow ≤ 3 mgd	1	\$10,000
3 mgd < flow ≤ 7 mgd	2	\$21,000
7 mgd < flow ≤ 12 mgd	3	\$45,000
12 mgd < flow ≤ 20 mgd	4	\$70,000
flow > 20 mgd	5	\$95,000

b. Payment Schedule

The following payment schedule from the Funding Agencies is established for this scope of work under the Methylmercury Special Project.

	1 <sup>st</sup> Installment (10%)	2 <sup>nd</sup> Installment (30%)	3 <sup>rd</sup> Installment (30%)	4 <sup>th</sup> Installment (20%)	5 <sup>th</sup> Installment (10%)	Total
<b>Invoice Date</b>	April 15, 2012	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015	
<b>Tier 1</b>	\$1,000	\$3,000	\$3,000	\$2,000	\$1,000	<b>\$10,000</b>
<b>Tier 2</b>	\$2,100	\$6,300	\$6,300	\$4,200	\$2,100	<b>\$21,000</b>
<b>Tier 3</b>	\$4,500	\$13,500	\$13,500	\$9,000	\$4,500	<b>\$45,000</b>
<b>Tier 4</b>	\$7,000	\$21,000	\$21,000	\$14,000	\$7,000	<b>\$70,000</b>
<b>Tier 5</b>	\$9,500	\$28,500	\$28,500	\$19,000	\$9,500	<b>\$95,000</b>

- c. Administrative Surcharge for Major Funding Agencies that are not Members of CVCWA in Good Standing

Major Funding Agencies who are not member agencies of CVCWA in good standing shall contribute an additional five percent (5%) of their respective share to cover contract administrative cost by CVCWA. This additional contribution shall be deposited in CVCWA's general fund.

- d. Maximum Payment to Consultant

The maximum payment to the consultant under this agreement shall not exceed \$564,000, unless approved by the Steering Committee pursuant to section C and E of this exhibit. A portion of the contributions will be set aside by the Steering Committee as a reserve for additional work efforts. Expenditures of the reserves will only be authorized by the Steering Committee.

- e. Project Cost Adjustment

The Major Funding Agencies acknowledge that the scope of this project carries some uncertainty as to what will be acceptable to the Central Valley Regional Water Board and the TAC for the collaborative control studies. The scope and budget of this contract may be reevaluated after TAC input to address the TAC concerns. Payment amounts for Installments 4 & 5 may be adjusted based on TAC feedback and study requirements.

- f. First Portion of Phase 1 Study

The Scope of this agreement is to provide services for a collaborative study to understand mercury and methylmercury generation and control measures for wastewater treatment plants. The scope of work is anticipated to cover approximately the first half of the seven year period to develop control studies. Based on the outcome of this work, future work may be desired. The scope and cost sharing allocations do not account for this future work. Any future work will be discussed and determined by the Steering Committee and may require a separate contracting and cost sharing mechanism.

g. Major Funding Agencies and Contribution towards Scope

**Major Funding Agencies and Associated Tiers and Contributions**

Major Funding Agencies <sup>3</sup>	Factor		Contribution towards Scope
	ADWF (MGD)	Tier <sup>4</sup>	
City of Brentwood	5.00	2	\$21,000
City of Davis	7.50	3	\$45,000
City of Lodi	8.5	3	\$45,000
City of Manteca	9.87	3	\$45,000
City of Rio Vista <sup>5</sup>	1.65	1	\$10,000
City of Roseville <sup>6</sup>	30.00	5	\$95,000
City of Sacramento	1.30	1	\$10,000
City of Stockton	55.00	5	\$95,000
City of Tracy	10.80	3	\$45,000
City of Woodland	10.40	3	\$45,000
Ironhouse Sanitary District	4.30	2	\$21,000
Sacramento Regional County Sanitation District	181.00	5	\$95,000
UC Davis	3.60	2	\$21,000
City of Yuba City	10.50	3	\$45,000
Deuel Vocational Inst.	0.62	1	\$10,000
Town of Discovery Bay	2.10	1	\$10,000
Mountain House Community Services District	4.50	2	\$21,000

h. Additional Work Due to Addition of New Funding Agency

If additional work is added and approved by the Steering Committee due to the addition of a new Major Funding Agency, the new Major Funding Agency will be responsible for the additional contract cost, in addition to its contribution as a Major Funding Agency.

i. Withdrawal

- i. Any Funding Agency may withdraw from the project by providing thirty days written notice to the Project Manager.

<sup>3</sup> The status of the treatment plants shown in red at this time is unknown.

<sup>4</sup> Tier based on design flow on April 20, 2012

<sup>5</sup> Includes Rio Vista Main and Northwest WWTPs

<sup>6</sup> Includes Dry Creek and Pleasant Grove Wastewater Treatment Plants

- ii. A Funding Agency that withdraws shall be liable for that agency's share of the funding that has been deposited and not entitled to a reimbursement.
  - iii. Upon withdrawal of any Funding Agency, the Steering Committee may revise the cost-sharing amounts set forth above to reapportion the withdrawing agency's contribution among the remaining agencies.
  - iv. Upon Withdrawal of any Funding Agency, CVCWA will notify the Regional Water Board that the Agency is no longer participating in the CVCWA Methylmercury Special Project as of the date of the withdrawal.
  - v. A Funding Agency that withdraws from the project will no longer have Steering Committee privileges, including access to work products or discussions after the date of withdrawal.
  - vi. Failure to contribute in per the payment schedule above is grounds for withdrawal from this Special Project. CVCWA will provide written notice to a Funding Agency whose payment is delinquent. The Funding Agency must respond within 30 days or will be deemed as desiring withdrawal from the Special Project. Final decisions regarding the status of Funding Agencies with delinquent payments will be determined by the Steering Committee.
- j. Reallocation of Costs
- i. At the conclusion of the work authorized by this agreement, any excess funds shall be returned to active Major Funding Agencies in proportion to the amount each Major Funding Agency contributed.
  - ii. In the event that this Agreement is amended and results in increased costs, Funding Agencies may elect to make additional contributions to support the additional work. These additional contributions may be in the form of rolling over any excess funds from prior phases of the project.

### **3. Regulatory Benefits**

A major goal of this Special Project is to provide regulatory credit with the Regional Water Board for participation in a collaborative study to control mercury and methylmercury for wastewater treatment plants subject to the Delta Methylmercury TMDL and future TMDLs in the Central Valley. Only at the full level of contribution will a Major Funding Agency be credited by CVCWA as participating in this project with the Regional Water Board. Minor Funding Agencies will not be credited by CVCWA as participating in this collaborative study with the Regional Water Board. CVCWA will notify the Regional Water Board in writing of the status of Major Funding Agencies.



C. **STEERING COMMITTEE**

1. CONSULTANT will provide the services described in Exhibit A subject to direction from a Steering Committee. The Steering Committee shall consist of one representative of each of the Major Funding Agencies. Each Major Funding Agency shall designate one principle representative and one alternate, who will participate in Steering Committee meetings in the absence of the principle representative.
2. Each member of the Steering Committee shall have one vote.
3. A majority (greater than 50%) of the steering committee members must be represented in person or by conference call to constitute a meeting quorum. Once a quorum is established, the meeting may continue and business may proceed until the meeting is closed by the majority of steering members present.
4. The Steering Committee shall:
  - a. Appoint a Project Manager.
  - b. Accept and approve final work products prepared by CONSULTANT.
  - c. Define and authorize work on the tasks identified in Appendix B, or other tasks as determined by the Steering Committee.
  - d. Approve revisions to the Scope of Services, project phases, schedule or project budget within the limitations established between the CVCWA and Consultant. No changes to the Scope of Services or budget shall be effective unless approved by the Steering Committee.
  - e. Make other determinations as appropriate and described herein.

D. **TECHNICAL SUPPORT COMMITTEE**

A Technical Support Committee comprised of representatives from the Steering Committee, CVCWA and/or Consultant may be established to provide technical guidance and assistance in completing the work.

E. **DECISION MAKING**

1. All Steering Committee members are encouraged to actively participate in this Special Project.

2. At least a majority (greater than 50%) vote of the Steering Committee present either in person or by conference call is required for action.
3. Steering Committee members will be required to review materials submitted to the Regional Water Board and TAC. These materials shall have Steering Committee, and sometimes CVCWA Board approval prior to submittal to the Regional Water Board or the TAC.

**F. OWNERSHIP OF WORK PRODUCTS**

1. All technical data, reports, documents, or other work products of CONSULTANT provided pursuant to the Scope of Services, shall become the property of the Major Funding Agencies and CVCWA and shall be delivered to the Steering Committee upon completion or request. CONSULTANT may retain copies for its files and internal use.
2. Release of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved by the Steering Committee or the CVCWA Board if the Steering Committee is no longer active. No document prepared pursuant to this agreement shall be deemed final unless approved by the Steering Committee.

**G. RESPONSIBILITIES OF FUNDING AGENCIES**

1. In order to provide for a cost-effective and collaborative process in completing this agreement, Major Funding Agencies agree to the following in the timeframe requested by the Steering Committee and/or Consultant and at the cost of the Funding Agency:
  - a. To provide data and other information necessary to the project. Major Funding Agencies agree to provide the data in the format requested (i.e. excel spreadsheet, etc.).
  - b. To provide studies and other information concerning past and current control studies for mercury and/or methylmercury.
  - c. To share results of control actions, including cost, pollution prevention efforts and assessments, etc.
  - d. To notify the Steering Committee and Consultant of any operational, treatment plant, disposal or collection system changes that could impact mercury or methylmercury production or control.
  - e. To provide access to the Funding Agency's facilities, if needed.

- f. To sample and provide high quality data<sup>7</sup> for constituents required by the Agency's permit and or as needed for this study for the timeframe determined by the Steering Committee.
  - g. To actively participate in the Steering Committee meetings. If the primary steering committee member is not available for a meeting, to have the alternate participate, if possible, and to share information concerning meetings, decisions, and action items within your Agency.
  - h. To provide timely review and input of documents.
  - i. To participate in the development of work products not covered by the scope of the agreement, but where the Steering Committee deems a committee-developed work product is desired.
2. Funding Agencies acknowledge that this agreement is not intended and will not fulfill all requirements in the Delta Mercury TMDL. Additional cost to comply with the Delta Methylmercury TMDL, future TMDLs and/or permit requirements will be the responsibility of the Funding Agency. For example, compliance monitoring, pollution prevention workplan development and implementation, exposure reduction requirements and others requirements are not included in this scope.

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<sup>7</sup> For Mercury and Methylmercury, EPA Method 1669 should be used and samples analyzed using low level detection methods

RESOLUTION NO. 2012-61

A RESOLUTION OF THE LODI CITY COUNCIL  
AUTHORIZING CITY MANAGER TO EXECUTE  
AGREEMENT WITH CENTRAL VALLEY CLEAN  
WATER ASSOCIATION FOR PARTICIPATION IN  
METHYLMERCURY SPECIAL PROJECT

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WHEREAS, since 1987, the City of Lodi has participated in the Central Valley Clean Water Association (CVCWA), which was formed to represent the interests of wastewater agencies in the Central Valley in regulatory matters and to support the exchange of information so member agencies can best meet their business challenges; and

WHEREAS, due to recent amendments to the Sacramento River and San Joaquin River Basin Plan, the State is requiring facilities that discharge to the Delta to participate in the Delta Mercury Control Program, and the program allows for facilities to complete the mandatory control study on mercury and methylmercury either independently or through a collaborative study with other agencies; and

WHEREAS, CVCWA is involved in the Delta Mercury Control Program through the Methylmercury Special Project, which will collaborate efforts for the required control study between 14 public agencies. The cost of participation for the City of Lodi for this project is \$45,000, which is less than the projected cost for completing this study independently.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an agreement with the Central Valley Clean Water Association for participation in the Methylmercury Special Project.

Dated: May 16, 2012

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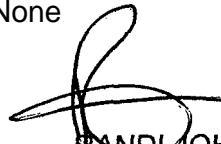
I hereby certify that Resolution No. 2012-61 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 16, 2012, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Nakanishi,  
and Mayor Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
RANDI JOEHL  
City Clerk